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STATEMENT *and speeches*

TO THE LEGISLATURE BY

THE HONOURABLE HARRY C. PARROTT, DDS,


Ministry
~~MINISTER OF COLLEGES AND UNIVERSITIES~~

CONCERNING OPERATING FUNDS,

TUITION FEES, AND STUDENT ASSISTANCE

IN 1977-78

THURSDAY, NOVEMBER 25, 1976



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MR. SPEAKER:

I WISH TO ANNOUNCE FUNDING LEVELS FOR 1977-78 IN THE UNIVERSITIES AND COLLEGES OF APPLIED ARTS AND TECHNOLOGY AND ALSO TO ANNOUNCE AN ADJUSTMENT TO FEES.

WITH REGARD TO FUNDING THE UNIVERSITY SYSTEM, I HAVE ACCEPTED THE ADVICE OF THE ONTARIO COUNCIL ON UNIVERSITY AFFAIRS. WE WILL PROVIDE OPERATING FUNDS OF \$703 MILLION IN 1977-78, A \$52 MILLION INCREASE OVER THIS YEAR'S PROJECTED EXPENDITURES OF \$651 MILLION.

THE COLLEGES WILL RECEIVE OPERATING GRANTS TOTALLING \$250 MILLION, UP FROM \$230 MILLION IN THE CURRENT YEAR.

WE BELIEVE THE INCREASED COSTS FACED BY UNIVERSITIES AND COLLEGES SHOULD BE BORNE IN PART BY THE STUDENTS WHO USE THEM AND IN PART BY THE TAXPAYER. CONSEQUENTLY WE HAVE SUGGESTED THAT UNIVERSITIES INCREASE THEIR TUITION FEES FOR A TWO-TERM ACADEMIC YEAR BY \$100. TUITION FEES FOR A SIMILAR PERIOD IN THE COLLEGES OF APPLIED ARTS AND TECHNOLOGY WILL BE INCREASED BY \$75.

THIS WILL BE THE FIRST FEE INCREASE IN FIVE YEARS.

AVERAGE ACADEMIC FEES IN THE UNIVERSITIES HAVE BEEN FROZEN AT SLIGHTLY LESS THAN \$600 SINCE 1972. THE INCREASE I AM ASKING FOR IN 1977 WILL RESULT IN AN AVERAGE ANNUAL INCREASE OVER FIVE YEARS OF 3.2 PER CENT.

IN THE COLLEGES, FEES HAVE BEEN FIXED AT \$250 SINCE 1972. NEXT YEAR'S INCREASE TO \$325 WILL MEAN AN ANNUAL AVERAGE INCREASE OVER FIVE YEARS OF 5.4 PER CENT.

THESE FIGURES - 3.2 PER CENT FOR THE UNIVERSITIES AND 5.4 PER CENT FOR THE COLLEGES - COMPARE TO AN ANNUAL AVERAGE INCREASE IN THE CONSUMER PRICE INDEX OF 8.1 PER CENT.

LOOKING AT IT ANOTHER WAY, FEES CURRENTLY MAKE UP 14.4 PER CENT OF UNIVERSITIES' INCOME FROM FEES AND GRANTS, DOWN FROM MORE THAN 17 PER CENT FOLLOWING THE 1972 FEE INCREASE. THE 1977 INCREASE WILL RESULT IN TUITION FEES AMOUNTING TO 16.1 PER CENT OF THIS INCOME.

THIS MEANS THAT - EVEN AFTER THE INCREASE - UNIVERSITY STUDENTS WILL ONLY BE PAYING, ON AVERAGE, ABOUT 16 PER CENT OF THEIR EDUCATIONAL COSTS. TAXPAYERS WILL CONTINUE TO PAY ABOUT 80 PER CENT, WITH THE REMAINDER COMING FROM PRIVATE SOURCES.

SIMILARLY, IN THE COLLEGES, FEES WERE ROUGHLY 13 PER CENT OF INCOME IN 1972 AND THEY ARE ABOUT 10 PER CENT OF INCOME IN THE CURRENT YEAR. AFTER THE INCREASE NEXT YEAR, STUDENTS WILL AGAIN BE PAYING ABOUT 13 PER CENT OF THE COSTS OF THEIR EDUCATION.

MR. SPEAKER, THIS INCREASE IN TUITION FEES DOES NOT CHANGE THE GOVERNMENT'S COMMITMENT TO ENSURE THAT STUDENTS' ACCESS TO POST-SECONDARY EDUCATION IS NOT LIMITED BY THEIR FINANCIAL CIRCUMSTANCES.

AS IN THE PAST, STUDENTS WHO CAN'T PAY THEIR FULL SHARE OF EDUCATION COSTS MAY APPLY FOR FINANCIAL ASSISTANCE FROM THE ONTARIO STUDENT ASSISTANCE PROGRAM. HIGHER TUITION FEES WILL BE TAKEN DIRECTLY INTO ACCOUNT IN ASSESSING THESE STUDENTS' FINANCIAL NEED.

THE ASSISTANCE PROGRAM'S BUDGET FOR GRANTS PROVIDED BY THE PROVINCE WILL BE INCREASED FROM \$61 MILLION IN THE CURRENT YEAR TO \$74 MILLION IN 1977-78.

CURRENTLY STUDENTS ARE REQUIRED TO BORROW \$1,000 BEFORE THEY CAN RECEIVE NON-REPAYABLE FUNDS FROM THE PROVINCE. I AM PLEASED TO CONFIRM THAT THIS LEVEL OF REQUIRED BORROWING WILL NOT HAVE TO BE INCREASED.

MR. SPEAKER, THE FEE INCREASE IS DICTATED BY TWO OBLIGATIONS --

THE OBLIGATION TO MAINTAIN A RESPONSIBLE ATTITUDE TOWARDS PUBLIC EXPENDITURES, AND

THE OBLIGATION TO MAINTAIN THE QUALITY OF THE POST-SECONDARY SYSTEM SO THAT IT WILL CONTINUE TO MEET THE NEEDS OF THE PEOPLE OF ONTARIO.

THE PROVINCE'S FINANCIAL SITUATION DOES NOT PERMIT US TO MEET NECESSARY FUNDING LEVELS WHOLLY FROM PROVINCIAL REVENUES. WE CAN SEE NO ACCEPTABLE ALTERNATIVES TO THE ONE WE HAVE CHOSEN. IN THE CIRCUMSTANCES, I BELIEVE THE TAXPAYERS OF ONTARIO, THE INSTITUTIONS AND THE STUDENTS THEMSELVES ARE BEST SERVED BY THE MODERATE FEE INCREASE WE HAVE PROPOSED.

IN CONCLUSION, MR. SPEAKER, I WILL EMPHASIZE AGAIN THAT WE INTEND, THROUGH THE ONTARIO STUDENT ASSISTANCE PROGRAM, TO CONTINUE OUR FIRM POLICY THAT NO DESERVING STUDENT WILL BE DENIED FOR FINANCIAL REASONS A PLACE IN ONTARIO'S POST-SECONDARY EDUCATIONAL SYSTEM. I WILL MEET WITH STUDENT COUNCIL PRESIDENTS IN TWO WEEKS' TIME TO REASSURE THEM ABOUT THIS POLICY AND TO DISCUSS ANY OTHER CONCERNS THEY MAY HAVE.

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